Rate Setting Reform Stakeholder Workgroup

Department Human Resources
311 W. Saratoga St.
Baltimore, MD 21201
Conference Room 508
March 10, 2014
Meeting Minutes

Participants:

LAST NAME	FIRST NAME	AGENCY	3/10/2014
WORKGROUP MEMBERSHIP			
Arriaza	Patricia E.	GOC	yes
Ayer	David	DHR/SSA	yes
Blackwell	Nancy	MSDE	yes
Blake	Angela	Vision Quest/Morning Star Youth Academy	yes
Cabellon	Angela	DHR/OPP	no
Crowder	Shanda	DHR/SSA	yes
DiLorenzo	Paul	CASEY	no
Ehirim	Godwin	DHR	no
Feller	Dan	GOC	no
Goodman	Laura	DHMH/Medicaid	yes
Groves	Barbara	The way home- Mountain Manor	yes
Ham	Darlene	DHR/OLM	yes
Howe	Steve	The Children's Guild	yes
Irvine	John	DJS	yes
Jones	Caroline	DHMH/MHA	yes
Keegan	Kevin	Catholic Charities	yes
Kibret	Netsanet	DHR/OGA	no
Kinion	Jeannette	DJS	no
Leshko	Joe	Arrow	yes
Lyons	Danielle	DHMH/DDA	yes
McEwen	Erwin	CASEY	no
McLendon	Audrey	DHR/SSA	yes
McLeod	Kevin	Silver Oak Academy	no
Scott	Mark	GOC	yes
Song	Linda	DHMH/Medicaid	yes
Spencer	Shane	DBM	yes
Sterling-Garrett	Ertha	DJS	yes
Stokes-Kearney	Paula	DHMH/OHCQ	yes

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Thomas	Tennille	DHR/SSA	yes
Tucker	Susan	DHMH/Medicaid	yes
White	Carnitra	DHR/SSA	yes
Wilkins	Anita	DHR/SSA	yes
Wisner	Lynn	DHR/OLM	yes
Zachik	Albert	DHMH/MHA	no
GUESTS			
LAST NAME	**FIRST NAME**	**AGENCY**	**3/10/2014**
Tinney	Shelley	MARFY	yes
Marks	Jeanne	Pressley Ridge	yes
Brown	David	Good Sheppard	yes
Knebel	Carrie	CONCERN	yes
Hadley	Janet	Family Services Inc	yes

I. Welcome & Introductions

- Carnitra White welcomed everyone and introductions were made.

II. Charge to the workgroup

- This workgroup is tasked with developing recommendations for revising the current rate system in order to better align service needs with an appropriate rate structure.

- This workgroup will work over the next 18 months to develop a new rate structure, process, and implementation plan.

- This workgroup will explore the data and trends associated with rate setting both nationally and within Maryland in order to make data informed decisions.

- It is the goal that this will be a collaborative process that will enable the State to reform the current rate setting system in order to continue to move Maryland forward.

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III. Where are we today?

- <u>Overview of Maryland's Data Profile: Youth in placement trends in services</u>

  There has been a 40% reduction in the number of children placed in out-of-home care. The number is projected to continue the downward trend.

  David Ayer announced that "Preliminary Placement Information" document was developed using data from The Department of Human Resources (DHR) CHESSI system and the Department of Juvenile Services (DJS) used ASSIST. Mr. Ayer noted that the data chart is expandable or focused depending on what information the workgroup is interested in gaining.

  John Irvine suggested that for more information on DJS placement trends is available online in the Joint Committee Report.

  The comment was made that it is true that kids of lesser needs are not coming into residential care. The kids coming in have more intense needs. How is this reflected in the data? David Ayer answered the question by indicating that by making use of the CANS data the services that youth require can be determined. Noting that with the performance-based contracts the State agencies are getting more update data.

  There was further discussion on how youth are counted and the effect of changing placements has on the reported data.

  Casey Family Services has agreed to help facilitate and help with the process of looking at what other states do.

- <u>Overview of the current system</u>
  The current rate setting process has been in place for many years. During this time, the service providers have determined their own rate of intensity. The following due date schedule is currently used:
    - February 15: Submit budgets
    - March 15 – June 15: Levels of intensity (LOI), staffing, budget spreadsheet and the consumer prices index
    - June 30: Rates are scheduled by June 30

  The workgroup will need to look at the LOIs: what is the correlation between rate, services, and LOIs

  There are many cost related variables not addressed in this system such as real estate. If the rate exceeds the level of intensity, the provider becomes non-preferred.

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The suggestion was made that many do not understand the preferred/non-preferred status.

Data on the cost per average verse the daily rate would be helpful.

IV. Where do we need to go?

- Joint Committee Report recommendations
  Two recommendations came out of the 2014 Joint Committee Report from the Interagency Licensing Committee.

  Recommendation 1: Develop a new rate structure that includes three components:
  1. Allow flexibility and innovation to meet the needs of children placed within the programs
  2. Establish a link between rates and performance based outcomes of the program and individual children
  3. Maximize Federal financial participation

  Recommendation 2: Redesign the rate setting process
  1. The State needs to reexamine the current process to in order to be aligned with the new rate structure model. This will include reviewing the current statutory and regulatory requirements. There was consensus among the providers that the rate setting process should remain housed within a neutral agency.

V. How do we get there?

- Workplan Framework
  The Rate Setting Reform Process and Workplan Framework document was distributed and reviewed.

- Decision Making Process
  The sub-workgroups will met and report to the workgroup. The sub-workgroups will have co-leads so providers are encouraged to participate. Each of the working teams will focus on each of the six core elements of the rate-setting system. Transparency is important and everyone should have an opportunity to offer feedback. All related documents included meeting agendas, minutes and handouts will be the Governor's Office for Children (GOC) website. Currently the section is under development and will soon be populated with information.

  When the process is further along, forums will be held with the option of participating via webinar. Public comment will be open at every stage to offer support or highlight issues not addressed.

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Shanda Crowder walked the workgroup participants through the six elements and the corresponding goals.

Element 1: Model Development
- Goal: To review existing best practices in rate setting systems in order to develop a recommendation for a Maryland Rate Setting Model

Element 2: Methodology Elements
- Goal: To determine the essential components of the rate methodology based on current practice and model recommendation. This group may decide to breakout into smaller groups to best complete the assigned tasks.

Element 3: Rate Structure
- Goal: To design a rate setting structure that is based on the approved model design and incorporates the standardized components from the methodology elements. Included in this process should be the costs structure for the elements.

Element 4: Regulatory Review
- Goal: To review and revise existing regulations to align with the approved model and rate structure based on elements 1-3.

  If the statute needs to be revised, it will go to the next legislative session for approval so it will take longer. It is the hope of the workgroup that the regulations will not have to be changed. The Maryland State Department of Education will remain the home of the Interagency Rates Committee.

Element 5: Implementation Planning
- Goal: To develop a detailed plan for the implementation of the new rate setting system. This should include the development of implementation timeline, policy guidance, budget submission requirements, and provider training.

Element 6: Implementation
- Goal: Implement the new rate setting process which will include: training, new budget submission, and issuance of new rates

Carnitra White asked everyone to look at the elements and workgroups and make sure the deadlines will be met. It is important to have a cutoff date. The workgroup was asked to

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inform Ms. Crowder about interest in participating in any of the element workgroups. Workgroup members contact information will be listed on the GOC website.

VI. Communications Plan

- Many options for communicating amongst the workgroups were discussed including blogging, universal email and SharePoint. State communications Specialist will help out further along in the process.

  The Rate Setting Reform Stakeholders Workgroup website address will be sent out via SCYFIS and other State agency update mechanisms.

VII. Next Meeting: Monday April 7, 2014, 2-4 pm. DHR, 311 W. Saratoga St., Baltimore, MD 21201, 5th Floor Conference Room

VIII.   Meeting Adjourned